

MINUTES OF THE MEETING OF THE FAIRFAX COUNTY
REDEVELOPMENT AND HOUSING AUTHORITY

December 18, 2014

On December 18, 2014, the Commissioners of the Fairfax County Redevelopment and Housing Authority (FCRHA) met in the FCRHA Board Room, One University Plaza, 4500 University Drive, Fairfax, Virginia.

PRESENTATION

Draft FY 2016 Housing Blueprint and Bond Blueprint

At 6:30 p.m., Tom Fleetwood, Director, FCRHA Policy, Reporting and Communications Division, Department of Housing and Community Development (HCD), gave a presentation and overview on the 2016 Metrics of the Housing Blueprint and the changes from the previous year. A discussion followed with the Housing Blueprint presentation ending at 6:40 p.m. At 6:40 p.m., Paula Sampson, Director, HCD, gave a presentation and overview on a Bond Blueprint concept. A discussion followed with the Housing Bond Blueprint presentation ending at 6:50.

CALL TO ORDER

FCRHA Chair Robert Schwaninger called the Meeting of the FCRHA to order at 7:00 p.m. FCRHA Commissioners present or absent for a portion or all of the meeting were as follows:

PRESENT

Robert Schwaninger, Chairman
Willard Jasper, Vice Chair
Robert C. Carlson
Christopher Craig
C. Melissa Jonas
Richard Kennedy
H. Charlen Kyle
Elisabeth Lardner
Albert J. McAloon
Rod Solomon

ABSENT

John Betts

Also present at the meeting were the following staff of the Department of Housing and Community Development (HCD): Paula C. Sampson, Director; Kurt Creager, Incoming Director; Robert Easley, Deputy Director, Operations; Hossein Malayeri, Deputy Director, Real Estate; Tom Fleetwood, Director, FCRHA Policy, Reporting and Communications Division; Kris Miracle, Director, Administration Division; Steve Knippler, Senior Program Manager, FCRHA Policy, Reporting and Communications Division; Ashley Montgomery, Director, Public Affairs, FCRHA Policy, Reporting and Communications Division; Russell Lee, Director, Rental Services Division; Marijke Hannam, Director, Financial Management Division (FMD); Rex Peters, Associate

Director, Real Estate, Design, Development and Construction (DD&C) Division; Charlene Fuhrman-Schulz, Affordable Dwelling Unit Project Administrator, DD&C; Aseem Nigam, Director, Real Estate Finance and Grants Management (REFGM) Division; Robert Fields, Interim Associate Director, Grants Management, REFGM; Michael Pearman, Portfolio Manager, REFGM; Beverly Moses, Housing Community Developer, Grants Management, REFGM; David Jones, Senior Program Manager, Grants Management, REFGM; Carol Erhard, Director, Homeownership and Relocation Division; Abdi Hamud, Chief, Homeownership and Relocation Division; Leo LeDuc, Director, Property Management (PM) Division; Toni Clemons-Porter, Associate Director, Senior Housing and Assisted Living, PM; Elisa Johnson, Director, PROGRESS Center, Administration Division; James Speight, Director, Property Improvement and Maintenance Division; Curtis Hall, Director, Information Systems and Services (ISS) Division; Mike Trent, Network Analyst, ISS; and Jodi Cienki, FCRHA Assistant. Other Fairfax County staff in attendance: Cynthia Tianti, Deputy County Attorney; and Ryan Wolf, Alan Weiss, and Susan Timoner, Assistant County Attorneys and FCRHA Counsel.

CITIZEN TIME

The FCRHA Chair opened Citizen Time at 7:00. With no one signed up and no one in the audience wishing to speak, the Chair closed citizen time at 7:00. At the conclusion of Citizen Time, Chairman Schwaninger recognized Ahmad Siddiqui of Boy Scout Troop 1107. Mr. Siddiqui, a student at Mark Twain Middle School, is working on his public service merit badge.

ADMINISTRATIVE ITEMS

1.

RESOLUTION NUMBER 55-14

Commending Paula C. Sampson for Her Years of Service to the Fairfax County Redevelopment and Housing Authority

WHEREAS, Paula Sampson has served Fairfax County and the Fairfax County Redevelopment and Housing Authority (FCRHA) by providing innovative leadership as Director of the Department of Housing and Community Development (HCD) since 1999; and

WHEREAS, from 1986 to 1993 she served as HCD's Director of Real Estate Finance; and

WHEREAS, as Director, she led important initiatives such as the Housing Blueprint and the Affordable Housing Preservation Initiative, which was designed to preserve at least 1000 affordable housing units by 2007, and more than doubled the goal with over 2700

units preserved since 2004; and

WHEREAS, under Ms. Sampson's leadership, the FCRHA won numerous national awards, and was consistently ranked among the nation's finest housing authorities; and

WHEREAS, she guided the FCRHA to being named by the U.S. Department of Housing and Urban Development (HUD) as a "Moving to Work" agency, a prestigious designation among public housing agencies nationwide; and

WHEREAS, as Director of HCD, she was responsible for administering a variety of federal, state and local housing programs, directing a staff of 250, and managing an annual operating budget of over \$100 million; and

WHEREAS, she fulfilled her duties as HCD Director with great skill and expertise, overseeing a diverse array of programs and activities, including affordable housing development and complex real estate and financial transactions; ownership and operation of rental housing; rental assistance; and loans for homeownership and home improvements; and

WHEREAS, she has been a member of the Board of Directors of the National Association of Local Housing Finance Agencies and has served on the Board of the National Community Development Association and the Freddie Mac Affordable Housing Advisory Council; and

WHEREAS, Paula Sampson will retire on January 13, 2015, after twenty-two years of distinguished service to Fairfax County;

NOW THEREFORE BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority expresses its gratitude to Paula Sampson for her years of dedicated service to the community and to the FCRHA, and wishes her a healthy, happy and prosperous retirement.

A motion was made by Commissioner McAloon, seconded by Commissioner Kyle, to adopt Resolution Number 55-14. A vote was taken and the motion carried unanimously.

2.

RESOLUTION NUMBER 56-14

Appointment of Kurt Creager as an Assistant Secretary and Deputy Executive Director of the Fairfax County Redevelopment and Housing Authority

NOW, THEREFORE, BE IT RESOLVED that Kurt Creager, Director, Fairfax County Department of Housing and Community Development, is appointed,

Assistant Secretary and Deputy Executive Director of the Fairfax County Redevelopment and Housing Authority, effective January 14, 2015.

A motion was made by Commissioner McAloon, seconded by Commissioner Jasper, to adopt Resolution Number 56-14. A vote was taken and the motion carried unanimously.

3.

RESOLUTION NUMBER 57-14

Appointment of Hossein Malayeri as an Assistant Secretary
of the Fairfax County Redevelopment and Housing Authority (FCRHA)

NOW, THEREFORE, BE IT RESOLVED that Hossein Malayeri, Deputy Director of the Department of Housing and Community Development, is appointed Assistant Secretary of the FCRHA, effective December 18, 2014.

A motion was made by Commissioner Jonas, seconded by Commissioner Kyle, to adopt Resolution Number 57-14. A vote was taken and the motion carried unanimously.

4.

RESOLUTION NUMBER 58-14

Authorization to Write-off Tenant Accounts Receivable Over One Year Old

BE IT RESOLVED, that the Fairfax County Redevelopment and Housing Authority (FCRHA) does hereby authorize the write-off of tenant accounts for the following programs in the following amounts in FY 2014, as described in the item presented to the FCRHA at its meeting on December 18, 2014.

Public Housing Program	\$20,898
Fairfax County Rental Program	\$11,613

A motion was made by Commissioner Kennedy, seconded by Commissioner Kyle, to adopt Resolution Number 58-14. A vote was taken and the motion carried unanimously.

APPROVAL OF MINUTES
November 13, 2014

A motion was made by Commissioner Kennedy, seconded by Commissioner Solomon, that the FCRHA approve the Minutes of the November 13, 2014 meeting. A vote was taken and the motion carried with Commissioner McAloon abstaining.

ACTION ITEMS

1.

RESOLUTION NUMBER 49-14

Approval of Refinancing Plan For Certain Good Shepherd Housing and Family Services, Inc. Owned Properties (Lee and Mount Vernon Districts)

WHEREAS the Fairfax County Redevelopment and Housing Authority (FCRHA) made eleven (11) loans to Good Shepherd Housing and Family Services, Inc. (Good Shepherd), a non-profit organization, to purchase real property for use as affordable housing; and

WHEREAS, Good Shepherd, is seeking to refinance a portion of its real estate portfolio (the "Subject Properties"); and

WHEREAS, United Bank has offered a loan commitment to Good Shepherd to refinance the Subject Properties; and

WHEREAS, the FCRHA has been requested to re-subordinate its loan position on each of the Subject Properties; and

WHEREAS the proposed refinancing for the Subject Properties does not conform to the requirements of the FCRHA Refinancing and/or Subordination Policy as it relates to Debt Coverage Ratio and Loan-to-Value Ratio; and

WHEREAS the FCRHA may grant exceptions to its FCRHA Refinancing and/or Subordination Policy; and

WHEREAS, the FCRHA has evaluated the terms of each proposed United Bank loan and the financial risks involved in subordinating the FCRHA second-lien position in each of the proposed loans; and

WHEREAS, the FCRHA has determined that an exception to its Refinancing and/or Subordination Policy, relative to debt coverage ratio and loan-to-value ratio, is necessary to facilitate the proposed loans;

NOW THEREFORE, BE IT RESOLVED that the FCRHA approves making exceptions to the FCRHA Refinancing and/or Subordination Policy and approves the proposed Good Shepherd refinancing of the Subject Properties, in accordance with the recommendation contained in the Action Item presented on December 18, 2014.

A motion was made by Commissioner Jasper, seconded by Commissioner Kyle to adopt Resolution Number 49-14. A vote was taken and the motion passed with Commissioner Craig abstaining.

2.

RESOLUTION NUMBER 50-14

Approval to Submit to the U.S. Department of Housing and Urban Development (HUD)
the Fairfax County Redevelopment and Housing Authority (FCRHA) Revised
Moving to Work (MTW) Plan for Fiscal Year 2015

BE IT RESOLVED THAT the Fairfax County Redevelopment and Housing Authority (FCRHA) adopts and approves submission of the revised Moving to Work (MTW) Plan for Fiscal Year 2015, as contained in the Action Item presented to the FCRHA at its meeting on December 18, 2014, and authorizes the FCRHA Chairman to sign all HUD-required certifications for the revised Plan.

After a brief discussion a motion was made by Commissioner Kennedy, seconded by Commissioner McAloon, to adopt Resolution Number 50-14. A vote was taken and the motion carried unanimously.

3.

RESOLUTION NUMBER 51-14

Fairfax County Redevelopment and Housing Authority (FCRHA) Authorization to
Exercise the Option to Purchase One Affordable Dwelling Unit at MetroWest,
Section 2 (Pulte) (Providence District)

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) hereby elects to authorize the purchase one Affordable Dwelling Unit (ADU) in the MetroWest, Section 2 (Pulte) development; and

BE IT FURTHER RESOLVED that the FCRHA hereby authorizes expending up to \$126,570 from Housing Trust Fund Account 56100 for the acquisition of one unit at the MetroWest, Section 2 (Pulte) Development; and

BE IT FURTHER RESOLVED that the FCRHA authorizes its Chairman, Vice Chairman or any Assistant Secretary to execute all documents and agreements and to take any other steps necessary or appropriate in connection with the purchase of the ADU Unit.

After a brief discussion a motion was made by Commissioner Kennedy, seconded by Commissioner Solomon, to adopt Resolution Number 51-14.

Commissioner Carlson stated that he was voting against this motion for two reasons: (1) The RHA previously declined the opportunity to purchase ADUs in this development because of concerns about the potential effects of the unique parking and water and sewer requirements of the development, and (2) He believes the ADU ordinance was enacted to provide home ownership opportunities, and the RHA should not be purchasing those units for the rental program.

A roll call vote was taken as follows:

AYE

Robert Schwaninger, Chairman
Willard Jasper, Vice Chair
C. Melissa Jonas
Richard Kennedy
H. Charlen Kyle
Elisabeth Lardner
Albert J. McAloon
Rod Solomon

NAY

Robert C. Carlson
Christopher Craig

ABSTAIN

The motion carried.

4.

RESOLUTION NUMBER 52-14

Fairfax County Redevelopment and Housing Authority (FCRHA) Authorization to Serve as the Project Based Voucher Contract Administrator for the Tysons Towers Rental Assistance Demonstration (RAD) Conversion (Hunter Mill District)

BE IT RESOLVED THAT that the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes serving as the Project Based Voucher Contract

Administrator for the Tysons Towers Rental Assistance Demonstration conversion, as described in the Action Item presented on December 18, 2014.

A motion was made by Commissioner Solomon, seconded by Commissioner Jonas, to adopt Resolution Number 52-14. A vote was taken and the motion carried unanimously.

5.

RESOLUTION NUMBER 53-14

Award of \$1,776,405 in Federal HOME and CDBG Program Funds to Four Fairfax County Nonprofit Housing Organizations

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes the Chairman, Vice Chairman, or any Assistant Secretary of the FCRHA to negotiate, execute and deliver contracts, loans and any other necessary or appropriate documents or agreements, in accordance with the applicable federal regulations for the use of Community Development Block Grant and Home Investment Partnerships Funds, with the following nonprofit organizations, consistent with and subject to the approvals of the Board of Supervisors, in each instance between the FCRHA, as more fully described in the item presented to the FCRHA at its December 18, 2014 meeting, and:

(1) Marian Homes, Inc. in the amount of \$510,000 for the acquisition and ADA conversion of a single family home to provide affordable housing to 5 individuals with disabilities at or below 30 percent of area median income, subject to underwriting by the HCD Loan Underwriting Committee;

(2) Cornerstones Housing Corporation in the amount of \$231,500 for the rehabilitation of 27 scattered site properties to serve families at or below 50 percent of area median income, subject to underwriting by the HCD Loan Underwriting Committee;

(3) Community Havens, Inc. in the amount of \$804,584 for the acquisition of 3 ADA accessible condominium units to serve individuals with disabilities earning incomes at or below 30 percent of area median income, subject to underwriting by the HCD Loan Underwriting Committee; and

(4) Good Shepherd Housing and Family Services in the amount of \$230,321 for the acquisition of 1 three-bedroom property to serve a low-income, homeless family with an income at or below 50 percent of area median income, subject to underwriting by the HCD Loan Underwriting Committee.

A motion was made by Commissioner McAloon, seconded by Commissioner Jasper, to adopt Resolution Number 53-14. A vote was taken and the motion carried unanimously.

6.

RESOLUTION NUMBER 54-14

Authorization to Schedule and Advertise a Public Hearing on the Proposed Interim Agreement with CHPPENN I, LLC for the Redevelopment of the North Hill Property (Mount Vernon District)

BE IT RESOLVED, THAT the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes the scheduling and advertising of a public hearing, to be held at its Regular Meeting on January 29, 2014 on the proposed Interim Agreement with CHPPENN I, LLC for the redevelopment of the North Hill Property, as described in the Action Item presented to the FCRHA at its meeting on December 18, 2014.

A motion was made by Commissioner Kyle, seconded by Commissioner McAloon, to adopt Resolution Number 54-14. A vote was taken and the motion carried unanimously.

7.

RESOLUTION NUMBER 59-14

Fairfax County Redevelopment and Housing Authority (FCRHA) Authorization to 1) Accept Assignment of the Limited Partner's Interest in the Castellani Meadows Limited Partnership; and 2) Assign a Portion of the General Partner Interest in the Castellani Meadows Limited Partnership to FCRHA Housing Assistance Corporation (Sully District)

WHEREAS, the Fairfax County Redevelopment and Housing Authority (the "Authority") authorized the formation of Castellani Meadows Limited Partnership (the "CML Partnership") to serve as the owner of Castellani Meadows; and

WHEREAS, the Authority is the sole general partner (the "General Partner") and National Equity Fund 1999 Limited Partnership; National Equity Fund 1999 Series II Limited Partnership are limited partners (collectively, the "Castellani Meadows Limited Partner") in the CML Partnership; and

WHEREAS, the Castellani Meadows Limited Partner desires to assign their respective interests (the "Limited Partners' Interests") in the Partnerships to the Authority; and

WHEREAS, the Authority, in order to accept the CML Partnership Limited Partner's assignment in the CML Partnership and to preserve the limited partnership status of the CML Partnership, must admit a co-General Partner;

NOW, THEREFORE, BE IT RESOLVED that the Authority authorizes the acceptance of the assignment of the respective Limited Partner's Interests in the CML Partnership, as outlined in the item presented to the Authority in at its December 18, 2014 meeting; and

BE IT FURTHER RESOLVED that the Authority approves the admission of the FCRHA Housing Assistance Corporation as co-General Partner in the CML Partnership and the transfer of 0.0049 percent of the Authority's current general partner interest in the CML Partnership to FCRHA Housing Assistance Corporation.

BE IT FURTHER RESOLVED that the Authority authorizes Paula C. Sampson, Assistant Secretary, and any other Assistant Secretary, on behalf of the Authority, to execute and deliver any agreements or documents and to take any other action as may be necessary or appropriate to comply therewith or in furtherance of the purposes thereof.

A motion was made by Commissioner Carlson, seconded by Commissioner Kyle, to adopt Resolution Number 59-14. A vote was taken and the motion carried unanimously.

INFORMATION ITEMS

1. Fairfax County Redevelopment and Housing Authority Annual Meeting Summary – November 13, 2014
2. Minutes of the Housing Ownership, Management and Security Committee Meeting – December 10, 2014
3. Minutes of the Finance Committee Meeting – December 10, 2014
4. Minutes of the Planning and Development Committee Meeting – December 10, 2014
5. Update on Development of Smoking Policy for Fairfax County Redevelopment and Housing Authority (FCRHA) Properties – Brief Discussion
6. Fairfax County Redevelopment and Housing Authority Calendar of Meetings – January and February 2015

7. Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (The Residences at Government Center II Project) – Alternate Underwriter and Remarketing Agent

CLOSED SESSION

A motion was made by Commissioner Carlson, seconded by Commissioner McAloon, that the Fairfax County Redevelopment and Housing Authority ("FCRHA") go into Closed Session for (a) discussion and consideration, pursuant to Virginia Code Section 2.2-3711(A)(3), of the acquisition of real property for a public purpose and of disposition of publicly held real property where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the FCRHA, and (b) consultation with legal counsel, pursuant to Virginia Code Section 2.2-3711(A)(7), pertaining to actual and probable litigation, where such consultation in open meeting would adversely affect the negotiating and litigating posture of the FCRHA.

The motion carried and the FCRHA went into Closed Session at 7:50 p.m.

OPEN SESSION RESUMES

A motion was made by Commissioner Carlson, seconded by Commissioner Jasper, that the members of the Fairfax County Redevelopment and Housing Authority certify that to the best of their knowledge only public business matters lawfully exempted from the open meeting requirements prescribed by the Virginia Freedom of Information Act and only matters identified in the motion to convene Closed Session were heard, discussed or considered by the Fairfax County Redevelopment and Housing Authority during Closed Session.

A roll call vote was taken as follows:

AYE

Robert Schwaninger, Chairman
Willard Jasper, Vice Chair
Robert C. Carlson
Christopher Craig
C. Melissa Jonas
Richard Kennedy
H. Charlen Kyle
Elisabeth Lardner
Albert J. McAloon
Rod Solomon

NAY

ABSTAIN

The motion carried unanimously by the commissioners present and the Open Meeting resumed at 8:09 p.m.

RESOLUTIONS

1.

RESOLUTION NUMBER 60-14

Fairfax County Redevelopment and Housing Authority (FCRHA) Elects Not to Exercise Its Option to Purchase Home Equity Loan Program (HELP) Property at 10303 Appalachian Circle, Unit 203, Oakton, Virginia 22124 (Providence District)

BE IT HEREBY RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) elects not to exercise its option to purchase the unit at 10303 Appalachian Circle, Unit 203, Oakton, Virginia 22124 at any price equal to or greater than \$180,000 – approximately 90% of the fair market value of \$200,000; and

BE IT FURTHER RESOLVED that the FCRHA directs staff to inform the owner that any future executed contract at a sales price under \$180,000 must be brought back to the FCRHA for consideration.

A motion was made by Commissioner Solomon, seconded by Commissioner Jasper, to adopt Resolution Number 60-14. A vote was taken and the motion carried unanimously.

2.

RESOLUTION NUMBER 61-14

Fairfax County Redevelopment and Housing Authority (FCRHA) Authorization to Execute the Comprehensive Agreement and Make Two Loans in the Aggregate Amount of Two Million Five Hundred Thousand Dollars (\$2,500,000) to Affiliates of Community Preservation and Development Corporation, Related to the Redevelopment of the Crescent Apartments, Subject to Board of Supervisors Approval (Hunter Mill District)

WHEREAS, the Fairfax County Board of Supervisors (the “Board”) owns the Crescent Apartments (the “Property”), located in Reston in the Hunter Mill District; and

WHEREAS, the Fairfax County Redevelopment and Housing Authority (the “FCRHA”) operates the 181 rental apartment units at the Property as affordable housing, via a long-term lease with the Board; and

WHEREAS, Fairfax County issued a Request for Proposals for the redevelopment of the Property, under the provisions of the Virginia Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA) in February 2012, and entered into an Interim Agreement with Lake Anne Development Partners, LLC (LADP) for the redevelopment of the Property in September 2013; and

WHEREAS, LADP must provide one-for-one replacement of the 181 affordable apartment homes at Property as part of the redevelopment and Community Preservation and Development Corporation (CPDC) is LADP's affordable housing partner in the redevelopment of the Property; and

WHEREAS, CPDC plans to apply to the Virginia Housing Development Authority (VHDA) for Low Income Housing Tax Credit (LIHTC) financing for the development of the replacement units; and

WHEREAS, CPDC will make an initial capital lease payment of \$2,500,000 to the Board for use of the portion of the Property that will contain the replacement units, and such payment will be transferred to the FCRHA; and,

WHEREAS, CPDC has requested that the FCRHA provide loans totaling \$2,500,000 from the proceeds of the initial capital lease payment to close a financing gap for a portion of the Property, thereby strengthening their LIHTC application; and

WHEREAS, the FCRHA must execute and join the proposed Comprehensive Agreement for the Property in order to make the requested loan commitments and resulting loans, and the FCRHA's obligations under the Comprehensive Agreement are limited solely to those provisions related to the proposed loans;

NOW, THEREFORE, BE IT RESOLVED that the FCRHA authorizes execution of the Comprehensive Agreement and loan commitments of \$2,500,000, subject to the Board of Supervisors' approval and execution of a Comprehensive Agreement in March 2015, as more fully described in Closed Session on December 18, 2014; and

BE IT FURTHER RESOLVED that the FCRHA authorizes its Chairman, Vice Chairman and any Assistant Secretary to execute documents or take other steps as may be reasonably necessary to effectuate the loans in accordance with the terms of the commitment, as more fully described in Closed Session on December 18, 2014.

A motion was made by Commissioner Kennedy, seconded by Commissioner Jonas, to adopt Resolution Number 61-14. A vote was taken and the motion carried unanimously.

BOARD MATTERS – See Attachment #1

ADJOURNMENT

A motion was made by Commissioner Carlson, seconded by Commissioner Kennedy, to adjourn the meeting at 8:23 p.m. A vote was taken and the motion carried unanimously.

(Seal)

Robert Schwaninger, Chairman

Paula C. Sampson, Assistant Secretary